



**AT SYSTEMATIZATION BERHAD**

[REGISTRATION NO. 200401006297 (644800-X)]  
(INCORPORATED IN MALAYSIA)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

Unaudited Condensed Consolidated Statements of Financial Position  
As At 30 September 2020

	(Unaudited) As At 30.09.2020 RM '000	(Audited) As At 31.03.2020 RM '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	62,443	38,074
Right-of-use assets	19,457	19,710
Marketable securities	17,603	2,133
	99,503	59,917
<b>Current assets</b>		
Inventories	2,565	3,251
Trade receivables	6,747	4,902
Other receivables, deposits and prepayments	23,478	2,899
Tax assets	89	85
Cash and bank balances	4,850	1,392
Other investments	15,079	-
	52,808	12,529
<b>TOTAL ASSETS</b>	152,311	72,446
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	133,903	56,935
Share option reserve	69	-
Warrant reserve	9,262	-
Revaluation reserve	1,932	1,932
Accumulated losses	(13,420)	(10,205)
<b>Total equity</b>	131,746	48,662
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Finance lease payables	3,663	1,984
Bank borrowings	7,863	10,272
Deferred tax liabilities	499	499
	12,025	12,755
<b>Current liabilities</b>		
Trade payables	2,946	5,173
Other payables & deposits	2,205	2,879
Finance lease payables	1,582	1,111
Bank borrowings	1,807	1,866
	8,540	11,029
<b>Total liabilities</b>	20,565	23,784
<b>TOTAL EQUITY AND LIABILITIES</b>	152,311	72,446
<b>Net assets per share (Sen)</b>	5.81	9.75

*The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial report.*



Unaudited Condensed Consolidated Statements of Comprehensive Income  
For the Period Ended 30 September 2020

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM '000	RM '000	RM '000	RM '000
Revenue	7,557	4,154	12,612	7,773
Cost of sales	(5,190)	(3,925)	(9,837)	(7,519)
<b>Gross profit/(loss)</b>	<b>2,367</b>	<b>229</b>	<b>2,775</b>	<b>254</b>
Other income	385	323	742	514
Administrative and general expenses	(2,415)	(2,177)	(6,403)	(4,254)
Selling and distribution expenses	(22)	(40)	(31)	(72)
	(2,437)	(2,217)	(6,434)	(4,326)
<b>Profit/(Loss) from operations</b>	<b>315</b>	<b>(1,665)</b>	<b>(2,917)</b>	<b>(3,558)</b>
Finance costs	(205)	(197)	(298)	(396)
<b>Profit/(Loss) before tax</b>	<b>110</b>	<b>(1,862)</b>	<b>(3,215)</b>	<b>(3,954)</b>
Taxation	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>110</b>	<b>(1,862)</b>	<b>(3,215)</b>	<b>(3,954)</b>
<b>Attributable to:-</b>				
Owners of the Company	110	(1,862)	(3,215)	(3,919)
Non-controlling interests	-	-	-	(35)
	110	(1,862)	(3,215)	(3,954)
Earnings/(Loss) per share attributable to owners of the Company (sen)				
- Basic	0.01	(0.40)	(0.22)	(0.84)
- Diluted	0.00	(0.40)	(0.22)	(0.84)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial period year 31 March 2020 and the accompanying explanatory notes attached to the interim financial report.



Unaudited Condensed Consolidated Statements of Comprehensive Income  
 For the Period Ended 30 September 2020

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.09.2020 RM '000	30.09.2019 RM '000	30.09.2020 RM '000	30.09.2019 RM '000
<b>Profit/(Loss) for the period</b>	110	(1,862)	(3,215)	(3,954)
<b>Other comprehensive loss:- Item that will not be reclassified subsequently to profit or loss</b>				
Revaluation increase/ (decrease) on:				
- property, plant and equipment	-	-	-	-
- right-of-use assets	-	-	-	-
<b>Total comprehensive profit/(loss) for the financial period</b>	<b>110</b>	<b>(1,862)</b>	<b>(3,215)</b>	<b>(3,954)</b>
<b>Attributable to:-</b>				
Owners of the Company	110	(1,862)	(3,215)	(3,919)
Non-controlling interests	-	-	-	(35)
<b>Total comprehensive profit/(loss) for the period</b>	<b>110</b>	<b>(1,862)</b>	<b>(3,215)</b>	<b>(3,954)</b>

*The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial report.*



Unaudited Condensed Consolidated Statements of Changes in Equity  
As At 30 September 2020

	<----- Attributable to Owners of the Company ----->					Sub Total RM '000	Non- Controlling Interests RM '000	Total Equity RM '000
	<----- Non-Distributable ----->			Distributable				
	Share Capital RM '000	Option Reserve RM '000	Revaluation Reserve RM '000	Warrant Reserve RM '000	Accumulated Losses RM '000			
<b>Unaudited</b>								
<b>At 1 April 2020</b>	56,935	-	1,932	-	(10,205)	48,662	-	48,662
<b>Comprehensive loss</b>								
Loss for the period	-	-	-	-	(3,215)	(3,215)	-	(3,215)
<b>Total comprehensive loss for the period</b>	-	-	-	-	(3,215)	(3,215)	-	(3,215)
<b>Transactions with owners</b>								
Proceeds from rights issue	20,014	-	-	14,678	-	34,692	-	34,692
Share issuance expenses	(668)	-	-	-	-	(668)	-	(668)
Proceeds from Warrants C conversion	15,016	-	-	(5,416)	-	9,600	-	9,600
Share-based payment	-	3,171	-	-	-	3,171	-	3,171
Exercise of share options	42,606	(3,102)	-	-	-	39,504	-	39,504
<b>Total transactions with owners</b>	76,968	69	-	9,262	-	86,299	-	86,299
<b>At 30 September 2020</b>	133,903	69	1,932	9,262	(13,420)	131,746	-	131,746

Unaudited Condensed Consolidated Statements of Changes in Equity  
As At 30 September 2020

	<----- Attributable to Owners of the Company ----->					Sub Total RM '000	Non-Controlling Interests RM '000	Total Equity RM '000
	<----- Non-Distributable ----->			Distributable				
	Share Capital RM '000	Share Option Reserve RM '000	Revaluation Reserve RM '000	Warrant Reserve RM '000	Accumulated Losses RM '000			
<b>Audited</b>								
<b>At 1 April 2019</b>	55,545	569	-	6,496	(1,051)	61,559	(835)	60,724
<b>Comprehensive loss</b>								
Loss for the financial year	-	-	-	-	(15,349)	(15,349)	(35)	(15,384)
Increase in revaluation	-	-	1,932	-	-	1,932	-	1,932
<b>Total comprehensive loss for the financial year</b>	-	-	1,932	-	(15,349)	(13,417)	(35)	(13,452)
<b>Transactions with owners</b>								
Acquisition of non-controlling interest in a subsidiary	-	-	-	-	(870)	(870)	870	-
Share option lapsed	-	(569)	-	-	569	-	-	-
Share-based payment	-	162	-	-	-	162	-	162
Exercise of share options	1,390	(162)	-	-	-	1,228	-	1,228
Expiry of Warrants B	-	-	-	(6,496)	6,496	-	-	-
<b>Total transactions with owners</b>	1,390	(569)	-	(6,496)	6,195	520	870	1,390
<b>At 31 March 2020</b>	56,935	-	1,932	-	(10,205)	48,662	-	48,662

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial report.



Unaudited Condensed Consolidated Statements of Cash Flows  
 For the Period Ended 30 September 2020

	Current Year To-Date <b>30.09.2020</b> (Unaudited) RM'000	Preceding Year Corresponding Period <b>30.09.2019</b> (Unaudited) RM'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(3,215)	(3,954)
Adjustments for :-		
Fair value adjustments on share options	3,171	-
Other non-cash and non-operating items	964	2,407
Operating (loss)/profit before working capital changes	920	(1,547)
Decrease/(Increase) in inventories	686	(19)
(Increase)/Decrease in receivables	(16,303)	3,272
(Decrease)/Increase in payables	(2,900)	1,835
Cash (used in)/generated from operations	(17,597)	3,541
Net (tax paid)/tax refund	(4)	(17)
<b>Net cash (used in)/from operating activities</b>	<b>(17,601)</b>	<b>3,524</b>
<b>Cash flows from investing activities</b>		
Income distribution and interest received	11	6
Net (investment)/withdrawal in short term money market funds	(14,972)	-
Deposit paid	(4,400)	-
Net investment in marketable securities	(15,572)	-
Proceeds from disposal of property, plant and equipment	-	458
Purchase of property, plant and equipment	(23,508)	(3,378)
<b>Net cash used in investing activities</b>	<b>(58,441)</b>	<b>(2,914)</b>



Unaudited Condensed Consolidated Statements of Cash Flows  
For the Period Ended 30 September 2020

	Current Year To-Date <b>30.09.2020</b> (Unaudited) RM'000	Preceding Year Corresponding Period <b>30.09.2019</b> (Unaudited) RM'000
<b>Cash flows from financing activities</b>		
Proceeds from right issue	34,692	-
Share issuance expenses	(668)	-
Proceeds from Warrants C conversion	9,600	-
Proceeds from SIS exercise	39,504	-
Interest paid	(298)	(396)
Net (repayments)/drawdown of finance lease payables	(765)	(391)
Net repayment of term loans	(2,469)	(438)
<b>Net cash from/(used in) financing activities</b>	<b>79,596</b>	<b>(1,225)</b>
Effects of exchange rate changes on cash and cash equivalents	9	2
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,563</b>	<b>(613)</b>
Cash and cash equivalents brought forward	1,020	885
Cash and cash equivalents carried forward	<u>4,583</u>	<u>272</u>
<b>Represented by:-</b>		
Placement of deposits with bank	106	102
Cash and bank balances	4,850	569
Bank overdraft	(267)	(297)
	<u>4,689</u>	<u>374</u>
Less: Deposits pledged with bank	(106)	(102)
	<u>4,583</u>	<u>272</u>

*The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial report.*

## A1) Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with Malaysia Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”), Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2020.

## A2) Changes in Accounting Policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2020 except for adoption of the new Malaysian Financial Reporting Standards (“MFRS”), amendments to MFRSs and Issue Committees (“IC”) interpretation (collectively referred to as “pronouncements”): -

Amendments to MFRS 3 Amendments to MFRS 7, MFRS 9 and MFRS139 Amendments to MFRS 101 and MFRS 108 MFRSs	Definition of Business  Interest rate Benchmark Reform  Definition of Material Amendments to References to the Conceptual Framework in MFRS Standards
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The adoption of these standards, amendments and interpretations did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial performance or position of the Group.

### Standards in issue but not yet effective

As at the date of authorisation of this interim financial report, the following pronouncements have been issued by the MASB but are not yet effective and have not been adopted by the Group: -

<b>MFRSs/Amendments to MFRSs/IC Interpretation</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 17 - Insurance Contracts	1 January 2021

**A2) Changes in Accounting Policies (Cont'd)**

**Effective for  
annual periods  
beginning on  
or after**

**MFRSs/Amendments to MFRSs/IC Interpretation**

Amendments to MFRS 10 Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

To be  
announced

Amendments to MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

To be  
announced

The Group will adopt the above pronouncements when they become effective in the respective financial periods.

**A3) Seasonal or Cyclical Factors**

The Group sells its products and services to customers from various sub-sectors of the semiconductor and manufacturing industries. The Group's performance is, to certain extent, dependent on the outlook and cyclical nature of these semiconductor and manufacturing industries.

**A4) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

**A5) Material Changes in Estimates**

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the current quarter under review.

**A6) Debt and Equity Securities**

Saved as disclosed below, there was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial period under review: -

- 1) On 22 May 2020, the Company completed a Rights Issue with Warrants following the listing and quotation of 991,176,200 Rights Shares and 743,382,150 Warrants C arising from the Rights Issue with Warrants on the ACE Market of Bursa Securities.
- 2) Issuance of new ordinary shares pursuant to the conversion of Warrants C: -

	Individual Quarter 3 Months Ended 30.09.2020		Cumulative Quarter 6 Months Ended 30.09.2020	
	No. of shares '000	RM '000	No. of shares '000	RM '000
	Conversion of Warrants C	266,199	9,317	274,299

- 3) Issuance of new ordinary shares pursuant to the exercise of share options: -

	Individual Quarter 3 Months Ended 30.09.2020		Cumulative Quarter 6 Months Ended 30.09.2020	
	No. of shares '000	RM '000	No. of shares '000	RM '000
	Exercise of share options	502,110	39,504	502,110

**A7) Dividend Paid**

There was no dividend paid in the current quarter under review.

**A8) Valuation of Property, Plant and Equipment**

The carrying values of property, plant and equipment have been brought forward, without amendment from the previous audited financial statements.

**A9) Material Events During the Financial Period**

The Malaysian government has on 18 March 2020 implemented a Movement Control Order (“MCO”) to restrict human movements and closed all non-essential business, including the Group’s operations in a move to curb the spread of COVID-19. The Group’s operations have partially resumed since 13 April 2020 after obtaining letters of permission from the Ministry of International Trade and Industry to operate during the MCO period.

Starting 1 May 2020, the government has allowed approved manufacturers, including ATS Group, to operate at full capacity during Phase 4 of the MCO.

The Group’s financial performance for current financial period was not significantly affected, other than those disclosed elsewhere in this report.

**A10) Material Events Subsequent to the end of the Financial Period**

Save as disclosed below and elsewhere in the interim financial report, there were no material events subsequent to the end of the financial period up to the date of this report: -

- 1) Issuance of the following new ordinary shares at the respective dates pursuant to the exercise of share options: -
  - (a) 100,005,000 new ordinary shares were issued and listed on 2 November 2020.
  - (b) 20,000,000 new ordinary shares were issued and listed on 3 November 2020.
  - (c) 95,583,000 new ordinary shares were issued and listed on 5 November 2020.
  - (d) 20,212,000 new ordinary shares were issued and listed on 6 November 2020.
  - (e) 70,750,000 new ordinary shares were issued and listed on 11 November 2020.
  - (f) 21,220,000 new ordinary shares were issued and listed on 16 November 2020.
  - (g) 6,370,000 new ordinary shares were issued and listed on 19 November 2020.
  - (h) 2,185,000 new ordinary shares were issued and listed on 23 November 2020.
- 2) Issuance of the following new ordinary shares at the respective dates pursuant to the conversion of Warrants C: -
  - (a) 30,000 new ordinary shares were issued and listed on 20 October 2020.
- 3) Issuance of the following new ordinary shares at the respective dates pursuant to the Company's private placement exercise completed on 11 November 2020 ("Private Placement I"): -
  - (a) 200,000,000 new ordinary shares were issued at RM0.068 per share and listed on 1 October 2020.
  - (b) 200,000,000 new ordinary shares were issued at RM0.068 per share and listed on 9 October 2020.
  - (c) 30,000,000 new ordinary shares were issued at RM0.068 per share and listed on 15 October 2020.
  - (d) 249,970,000 new ordinary shares were issued at RM0.063 per share and listed on 21 October 2020.
- 4) On 23 October 2020, the Company has announced the extension of Share Issuance Scheme for a further period of five (5) years from 29 October 2020 to 28 October 2025, in accordance with the terms of the Share Issuance Scheme By-Laws.

**A11) Changes in the Composition of the Group**

There were no material changes in the composition of the Group for the current quarter and financial year-to-date other than as stated below.

On 15 June 2020, the Company has incorporated a new wholly-owned subsidiary, namely AT Glove Engineering Sdn. Bhd. ("AGESB"). The intended principal activities of AGESB are: -

- (i) manufacture and sale of gloves including medical gloves;
- (ii) investment holding; and
- (iii) provision of design, engineering and technology works, fabrication as well as installation of machines for the manufacture of gloves and other rubber-related products.

The share capital of AGESB is RM2.00 comprising of 2 ordinary shares, all of which are held by the Company.

**A12) Contingent Liabilities or Contingent Assets**

The Group has no material contingent liabilities save for the corporate guarantees provided by the Company to financial institutions for credit facilities, and to suppliers for credit terms granted to subsidiaries of up to a total limit of approximately RM21,352,000. Total utilisation of these credit facilities as at 30 September 2020 amounted to approximately RM14,804,000.

There were no material contingent assets to be disclosed as at the date of this report.

**A13) Capital Commitment**

As of 30 September 2020, capital commitment is in respect of the capital expenditure of glove manufacturing lines and related facilities by subsidiary of the Group: -

	<b>RM'000</b>
Approved and contracted for	-
Contracted but not provided for	48,079
	<u>48,079</u>

**A14) Related Party Transactions**

There were no significant transactions with related parties during the current financial period.

**A15) Fair Value Measurements**

(a) Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows: -

- Level 1 : Quoted price in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability.
- Level 3 : Inputs for the asset or liability that are not based on observable market data.

(b) The following table provides the fair value measurement hierarchy of the Group's financial instruments: -

	<b>&lt;--Fair value of financial instruments --</b>				<b>Carrying amount</b>
	<b>carried at fair value</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group - 30.09.2020</b>					
<b>Financial assets</b>					
- Investment in quoted shares	17,603	-	-	-	17,603
- Investment in money market	15,079	-	-	-	15,079
	<u>32,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,682</u>

**A15) Fair Value Measurements (Cont'd)**

(b) The following table provides the fair value measurement hierarchy of the Group's financial instruments: - (cont'd)

	<b>&lt;--Fair value of financial instruments --</b>				<b>Carrying amount</b>
	<b>not carried at fair value</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group - 30.09.2020</b>					
<b>Financial liabilities</b>					
- Finance lease payables	-	5,401	-	5,401	5,245
	<u>-</u>	<u>5,401</u>	<u>-</u>	<u>5,401</u>	<u>5,245</u>

**A16) Revenue**

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.09.2020 RM '000	30.09.2019 RM '000	30.09.2020 RM '000	30.09.2019 RM '000
Fabrication:				
(i) Customised parts	5,885	3,879	10,684	7,155
(ii) Servicing charges	49	75	89	237
Sheet metal & automation:				
(i) Customised parts & assembly	1,430	-	1,450	-
(ii) Servicing charges	-	2	-	2
Solar renewable energy	193	198	389	379
	<u>7,557</u>	<u>4,154</u>	<u>12,612</u>	<u>7,773</u>
Goods or services transferred at a point in time	<u>7,557</u>	<u>4,154</u>	<u>12,612</u>	<u>7,773</u>

**A17) Segmental Information**

The segmental information of the Group is presented by operating segments as follows: -

- (a) **Fabrication and automation** - Fabrication of industrial & engineering parts and sheet metal; Design and manufacturing of industrial automation systems and machinery;
- (b) **Renewable energy and property** - Renewable energy operator; Property letting;
- (c) **Others** - Investment holding and provision of management services to subsidiaries, neither which are of a sufficient size to be reported separately.



Notes to the Unaudited Interim Financial Report  
For 6 Months Ended 30 September 2020

A17) Segmental Information (Cont'd)

**Cumulative Period Ended 30.09.2020**

	Fabrication and automation RM '000	Renewable energy and property RM '000	Others RM '000	Eliminations RM '000	Total RM '000
<b>Revenue</b>					
External revenue	12,222	390	-	-	12,612
Inter-segment revenue	-	-	549	(549)	-
Total revenue	<u>12,222</u>	<u>390</u>	<u>549</u>	<u>(549)</u>	<u>12,612</u>
<b>Results</b>					
Interest income	8	-	3	-	11
Finance costs	(287)	(3)	(8)	-	(298)
Segment profit/(loss) before tax	(2,362)	101	(954)	-	(3,215)
Taxation	-	-	-	-	-
Segment profit/(loss) after tax	<u>(2,362)</u>	<u>101</u>	<u>(954)</u>	<u>-</u>	<u>(3,215)</u>
Other material non-cash items :-					
- Depreciation	(2,052)	(190)	(65)	-	(2,307)
- Unrealised gain/(loss) on foreign exchange	25	-	-	-	25
- (Allowance)/Reversal for impairment loss on loan & receivables	1,756	-	-	-	1,756
- Fair value gain/(loss) on quoted shares	(101)	-	-	-	(101)
- Share options expenses	<u>(2,986)</u>	<u>-</u>	<u>(185)</u>	<u>-</u>	<u>(3,171)</u>



Notes to the Unaudited Interim Financial Report  
 For 6 Months Ended 30 September 2020

A17) Segmental Information (Cont'd)

**Cumulative Period Ended 30.09.2019**

	Fabrication and automation RM '000	Renewable energy and property RM '000	Others RM '000	Eliminations RM '000	Total RM '000
<b>Revenue</b>					
External revenue	7,394	379	-	-	7,773
Inter-segment revenue	-	-	343	(343)	-
Total revenue	<u>7,394</u>	<u>379</u>	<u>343</u>	<u>(343)</u>	<u>7,773</u>
<b>Results</b>					
Interest income	100	-	885	(979)	6
Finance costs	(1,037)	(327)	(11)	979	(396)
Segment profit/(loss) before tax	(3,545)	(479)	70	-	(3,954)
Taxation	-	-	-	-	-
Segment profit/(loss)	<u>(3,545)</u>	<u>(479)</u>	<u>70</u>	<u>-</u>	<u>(3,954)</u>
Other material non-cash items :-					
- Depreciation	(1,908)	(302)	(65)	-	(2,275)
- Unrealised gain/(loss) on foreign exchange	4	-	-	-	4
- (Allowance)/Reversal for impairment loss on loan & receivables	(6)	-	-	-	(6)
- Gain/(Loss) on disposal of property, plant and equipment	155	-	-	-	155

Explanatory Notes Pursuant to the Listing Requirements  
For 6 Months Ended 30 September 2020

B1) Review of Performance

Individual Period (Quarter 2)	Preceding Year		Changes	
	Current Quarter	Corresponding Quarter		
	30.09.2020	30.09.2019		
	RM '000	RM '000	RM '000	%
<b>Revenue</b>				
Fabrication and automation	7,363	3,956	3,407	86
Renewable energy and property letting	194	198	(4)	(2)
Others	-	-	-	-
	<u>7,557</u>	<u>4,154</u>	3,403	82
<b>(Loss)/Profit before tax</b>				
Fabrication and automation	22	(1,653)	1,675	(101)
Renewable energy and property letting	26	(117)	143	(122)
Others	62	(92)	154	(167)
	<u>110</u>	<u>(1,862)</u>	1,972	(106)

**Current Quarter**

The Group posted revenue of RM7.56 million for the current quarter ended 30 September 2020, 82% higher than RM4.15 million recorded in the corresponding quarter ended 30 September 2019. The increase was mainly attributable to higher orders from contract manufacturer, disk drive manufacturing and textile industry in fabrication business, coupled with higher orders from the machines delivered in sheet metal & automation business. Sale of solar energy to Tenaga Nasional Berhad was consistent at RM0.2 million in the current quarter as compared to corresponding quarter.

The Group recorded pre-tax profit of RM0.11 million for the current quarter as compared to RM1.86 million pre-tax loss in the corresponding quarter. Fabrication and automation segment reported pre-tax profit of RM22K mainly due to better performance in fabrication & sheet metal business, RM1.75 million reversal of impairment loss on receivables and RM0.96 million mark-to-market gain on quoted investments, offset with RM2.99 million fair value adjustment on share options. Renewable energy and property letting segment reported pre-tax profit as compared to pre-tax loss of RM0.12 million mainly due to absence of interest payable to holding company in the period under review. Other segment reported pretax profit in current quarter as compared pre-tax loss in corresponding quarter mainly due to higher management fee income chargeable to subsidiaries, offset with fair value adjustment on share options of RM0.2 million.

Explanatory Notes Pursuant to the Listing Requirements  
For 6 Months Ended 30 September 2020

B1) Review of Performance (Cont'd)

Cumulative Period (Quarter 2)	Preceding Year		Changes	
	Current Year to-date	Corresponding Quarter		
	30.09.2020 RM '000	30.09.2019 RM '000	RM '000	%
<b>Revenue</b>				
Fabrication and automation	12,222	7,394	4,828	65
Renewable energy and property letting	390	379	11	3
Others	-	-	-	-
	<u>12,612</u>	<u>7,773</u>	4,839	62
<b>(Loss)/Profit before tax</b>				
Fabrication and automation	(2,362)	(3,545)	1,183	(33)
Renewable energy and property letting	101	(479)	580	(121)
Others	(954)	70	(1,024)	(1,463)
	<u>(3,215)</u>	<u>(3,954)</u>	739	(19)

**Cumulative Period**

The Group posted revenue of RM12.61 million for the cumulative quarter ended 30 September 2020, which was 62% higher as compared to RM7.77 million in the corresponding cumulative quarter. The increase was mainly attributable to higher orders from contract manufacturer and textile industry in fabrication business, coupled with higher orders from the machines delivered in sheet metal & automation business. Sale of solar energy to Tenaga Nasional Berhad was higher by 11% due to favorable weather.

The Group recorded pre-tax loss of RM3.22 million for the cumulative quarter ended 30 September 2020, a decrease of 19% as compared to pre-tax loss of RM3.95 million in the corresponding cumulative quarter. Fabrication and automation segment reported lower pre-tax loss by 33% mainly due to better performance from fabrication & sheet metal business and RM1.75 million reversal of impairment loss on receivables, offset with RM2.99 million fair value adjustment on share options. Renewable energy and property letting segment reported pre-tax profit of RM0.1 million as compared to pre-tax loss of RM0.5 million mainly due to absence of interest payable to holding company in the period under review. Other segment reported higher pre-tax loss by RM1 million mainly due to fair value adjustment on share options of RM0.2 million and absence of interest income chargeable to subsidiaries.

Explanatory Notes Pursuant to the Listing Requirements  
For 6 Months Ended 30 September 2020

**B2) Material Change in the Profit before Taxation of Current Period Compared with the Immediate Preceding Period**

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	<b>Changes</b>	
	<b>30.09.2020</b>	<b>30.06.2020</b>	<b>RM '000</b>	<b>%</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>%</b>
<b>Revenue</b>				
Fabrication and automation	7,363	4,859	2,504	52
Renewable energy and property letting	194	196	(2)	(1)
Others	-	-	-	-
	<u>7,557</u>	<u>5,055</u>	2,502	49
<b>(Loss)/Profit before tax</b>				
Fabrication and automation	22	(2,384)	2,406	101
Renewable energy and property letting	26	75	(49)	(65)
Others	62	(1,016)	1,078	(106)
	<u>110</u>	<u>(3,325)</u>	3,435	103

The Group posted revenue of RM7.56 million for the current quarter ended 30 September 2020, which was 49% higher than RM5.06 million recorded in the preceding quarter ended 30 June 2020. The increase was mainly due to higher orders from contract manufacturer and disk drive manufacturing in fabrication business, coupled with higher orders from the machines delivered in sheet metal & automation business. Sale of solar energy was consistent at RM0.2 million in the period under review.

The Group recorded pre-tax profit of RM0.11 million for the current quarter as compared to pre-tax loss of RM3.33 million recorded in the preceding quarter. Fabrication and automation segment reported pre-tax profit of RM22K mainly due to better performance in fabrication & sheet metal business, RM1.75 million reversal of impairment loss on receivables and RM0.96 million mark-to-market gain on quoted investments, offset with RM2.99 million fair value adjustment on share options. Other segment reported pre-tax profit in current quarter as compared pre-tax loss in preceding quarter mainly due to professional fees incurred in relation to fund raising exercise being reclassified to share issuance expenses under the current quarter under review.



**Explanatory Notes Pursuant to the Listing Requirements  
For 6 Months Ended 30 September 2020**

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**B3) Prospects**

The Group expects the coming financial year to be challenging due to the weak sentiments arising from the COVID-19 pandemic. While lockdowns are slowly being lifted, COVID-19 is affecting markets worldwide and uncertainty on the global economy remains. In the longer term, the Group anticipated slowdowns in the performance of our national economy as well as the global economy as a whole, despite economic stimulus measures being implemented by almost every national government around the world including our own, may have an indirect impact on the demand for the Group's products and services.

Given the potential for the overall impact to be wide-ranging and in view that the COVID-19 pandemic has yet to be contained worldwide, the estimated impact on the Group's business and financial performance remains uncertain and cannot be determined nor quantified at this juncture. The Group will continue to focus on its core business, i.e. fabrication of industrial & engineering parts and sheet metal business. The Group has been ramping up its production capacity to recover from the previous mandated facility closures.

The Group is continuously exploring new sources of revenue and exploring new opportunities on the back of the COVID-19 pandemic. At the moment, the Group is working closely in developing more products in curbing the fight against COVID-19. These new products include integrated disinfection chambers and ultrasonic mist chamber. The Group has also joined forces with other companies in planning to form a new joint venture entity to produce ventilators whereby the Group will be responsible for fabricating all relevant metal components of the ventilators.

On 15 September 2020, the Group obtained the approval from its shareholders to diversify the existing business to include the glove business. The Group is expected to commence production of gloves by December 2020. The Group also expects to install and commission new glove-dipping line at a rate of 2 new line per month until it has 13 lines installed.

The Group expects strong demand for its gloves from both local and overseas markets. Recently, the Group has inked an agreement with LKL International Bhd to market, sell and distribute gloves produced by the Group. This strategic partnership is timely and will bolster the Group's pursuit to become a leading glove player, given LKL's experience in distribution and its good client base. The Group's venture into the glove business is expected to allow the Group to capitalise on a booming segment with favorable long term prospects and is expected contribute to the future earnings of the Group as well as improve the Group's financial performance in the coming years.

**B4) Profit forecast or profit guarantee**

Not applicable as the Group did not publish any profit forecast.

Explanatory Notes Pursuant to the Listing Requirements  
For 6 Months Ended 30 September 2020

**B5) Qualification of Preceding Audited Financial Statements**

There was no qualification to the preceding audited financial statements for the financial year ended 31 March 2020.

**B6) Loss Before Tax**

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.09.2020 RM '000	30.09.2019 RM '000	30.09.2020 RM '000	30.09.2019 RM '000
Included in the profit/(loss) before tax is after charging/(crediting) :-				
Property, plant & equipment:-				
(i) Depreciation	945	1,045	2,005	2,275
(ii) (Gain)/Loss on disposal	-	-	-	(155)
Right-of-use assets:-				
(i) Depreciation	232	-	302	-
Fair value (gain)/loss on quoted shares	(965)	-	101	-
(Reversal)/Allowance for impairment loss on loan & receivables	(1,752)	59	(1,756)	6
Rental income	(153)	(453)	(331)	(355)
Income distribution from fixed income fund	(9)	(14)	(16)	(2)
Interest income	(6)	(4)	(12)	(4)
Interest expense	205	160	298	396
Rental expense of premises	22	48	50	35
Loss/(Gain) on foreign exchange:-				
- realised	50	7	32	(3)
- unrealised	(5)	(6)	25	(4)
Share options expenses	3,171	162	3,171	162

Explanatory Notes Pursuant to the Listing Requirements  
For 6 Months Ended 30 September 2020

**B7) Taxation**

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.09.2020 RM '000	30.09.2019 RM '000	30.09.2020 RM '000	30.09.2019 RM '000
Corporate tax income/(expense)	-	-	-	-
Deferred tax income/(expense)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

No tax expense for the period under review due to losses suffered by the subsidiaries and the Company.

**B8) Status of Corporate Proposals**

Save as disclosed below, there were no other corporate proposals announced but not completed at the latest practicable date which is not earlier than seven (7) days from the date of issue of this interim financial report: -

- On 22 May 2020, the Company completed a Rights Issue with Warrants exercise following the listing and quotation of 991,176,200 new ordinary shares of RM0.035 each together with 743,382,150 Warrants C. The Company raised cash proceeds of RM34.69 million and the summary of the utilisation of proceeds up to the date of this interim financial report are as follows: -

Purpose	Proposed utilisation RM'000	Amounts utilised RM'000	Balance unutilised RM'000	Estimated timeframe for the utilisation of proceeds
Expansion of production capacity	9,000	3,786	5,214	Within 18 months
Repayment of bank borrowings	10,728	10,728	-	Within 3 months
Working capital	14,313	11,630	2,683	Within 24 months
Estimated expenses for the corporate exercises	650	650	-	Immediate
<b>Total</b>	<b>34,691</b>	<b>26,794</b>	<b>7,897</b>	

Explanatory Notes Pursuant to the Listing Requirements  
For 6 Months Ended 30 September 2020

**B8) Status of Corporate Proposals (Cont'd)**

- 2) During the financial period under review, the Company has implemented the Private Placement I in stages. Up to the completion date of 11 November 2020, a total of 679,970,000 new ordinary shares has been listed and cash proceeds of RM45.72 million was raised. Summary of the utilisation of proceeds up to the date of this interim financial report are as follows: -

<b>Purpose</b>	<b>Proposed utilisation RM'000</b>	<b>Amounts utilised RM'000</b>	<b>Balance unutilised RM'000</b>	<b>Estimated timeframe for the utilisation of proceeds</b>
Capital expenditure for Glove Business	43,269	28,530	14,739	Within 12 months
Working capital	1,823	19	1,804	Within 12 months
Estimated expenses for the corporate exercises	616	616	-	Immediate
<b>Total</b>	<b>45,708</b>	<b>29,165</b>	<b>16,543</b>	

- 3) On 10 June 2020, the Company has announced that it has signed a Letter of Intent with Aaron Khoo Teng Soon, a representative of the shareholders of Pearl Glove (Malaysia) Sdn. Bhd. ("PGSB") with the intention of acquiring the entire business of PGSB.

On 26 June 2020, the Company has further announced that AT Glove Engineering Sdn. Bhd. ("AGESB"), a wholly-owned subsidiary of the Company, had on even date entered into a Share Sale Agreement ("SSA") with the Vendors, namely Hai Hong Capital Sdn. Bhd., P'ng Sim Guan, P'ng Lai Heng, Hai Hong Holdings Sdn. Bhd. and Aaron Khoo Teng Soon (collectively referred to as the "Vendors") for the proposed acquisition by AGESB of the entire equity interest in PGSB, for a total purchase consideration of RM22 million to be satisfied entirely by cash ("Proposed Acquisition"). The Proposed Acquisition is subject to several conditions precedent being obtained / fulfilled or waived (as the case may be) by the day falling 30 days from the date of the SSA, or such later date as the parties may mutually agree upon.

- (i) On 30 July 2020, the Company announced that AGESB and the Vendors ("the Parties") have mutually agreed to extend the period to fulfil the conditions precedent as stated in Appendix I – Salient Terms of the SSA ("Conditions Precedent") for a period of two (2) months from 27 July 2020 as the Parties have yet to obtain/fulfil the Conditions Precedent;



Explanatory Notes Pursuant to the Listing Requirements  
For 6 Months Ended 30 September 2020

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**B8) Status of Corporate Proposals (Cont'd)**

- 3) (ii) On 25 September 2020, the Company announced that the Parties have mutually agreed to extend the cut-off date for a period of two (2) weeks from 27 September 2020 as the Parties have yet to obtain/fulfil the Conditions Precedent;
- (iii) On 12 October 2020, the Company announced that the Parties have mutually agreed to extend the cut-off date for a period of one (1) month to facilitate further discussion by the Parties.
- (iv) On 11 November 2020, the Company announced that AGESB, upon reviewing the due diligence reports provided by the professional advisers appointed by AGESB in relation to the due diligence exercise conducted on PGSB, its business, assets, legal and financial position (“Due Diligence Exercise”), determined that the board of directors of AGESB is not satisfied with the outcome and findings of the Due Diligence Exercise. Accordingly, AGESB has on even date issued a notice of termination to the Vendors to terminate the SSA in accordance with the terms and conditions stated in the SSA.
- 4) On 17 November 2020, on behalf of the Board of Directors, Mercury Securities Sdn Bhd (“Mercury Securities”) announced that the Company proposed to undertake a private placement of up to 750,044,000 new ordinary shares in the Company, representing 20% of the enlarged total number of issued shares of the Company, to independent third party investor(s) to be identified later and at an issue price to be determined later (“Private Placement II”).

Bursa Securities has, vide its letter dated 25 November 2020, approved the listing and quotation of up to 750,044,000 placement shares to be issued pursuant to the Private Placement II. The approval by Bursa Securities for the above is subject to the following conditions: -

- (i) ATS and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Private Placement II;
- (ii) ATS and Mercury Securities to inform Bursa Securities upon the completion of the Private Placement II; and
- (iii) ATS to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Private Placement II is completed.

Up to the date of the date of this interim financial report, the following new ordinary shares were issued at the respective dates pursuant to the Company’s Private Placement II: -

- (i) 30,000,000 new ordinary shares were issued at RM0.17 per share and listed on 30 November 2020.



Explanatory Notes Pursuant to the Listing Requirements  
 For 6 Months Ended 30 September 2020

**B9) Material Litigation**

There were no material litigations against the Group as at the date of the interim financial report. The directors of the Group do not have any knowledge of any proceeding pending or threatened against the Group which might materially and adversely affect the financial position or business of the Group.

**B10) Borrowings and Debts Securities**

	Non-Current RM '000	Current RM '000	Total RM '000
<b>As at 30.09.2020</b>			
<b><u>Secured</u></b>			
Finance lease payables	3,663	1,582	5,245
Term loans	7,863	1,540	9,403
Bank overdraft	-	267	267
	11,526	3,389	14,915
<b>As at 30.09.2019</b>			
<b><u>Secured</u></b>			
Finance lease payables	1,575	1,223	2,798
Term loans	9,608	1,502	11,110
Bank overdraft	-	297	297
	11,183	3,022	14,205
		<b>30.09.2020</b>	<b>30.09.2019</b>
		%	%
The weighted average interest rate are as follows:			
Finance lease payables		3.50	3.67
Term loans		4.06	5.40
Bank overdraft		6.10	7.35
Proportion of borrowings between:			
Fixed interest rates		35%	20%
Floating interest rates		65%	80%
Workings			
Fixed		5,245	2,798
Floating		9,670	11,407
		14,915	14,205

All the Group's borrowings are denominated in RM.

**B11) Dividend**

There was no dividend declared or paid for the current period under review.

Explanatory Notes Pursuant to the Listing Requirements  
For 6 Months Ended 30 September 2020

**B12) Earnings/(Loss) per Share**

The basic and diluted loss per share are computed as follows: -

	Individual Quarter		Cumulative Quarter	
	3 Months Ended	3 Months Ended	6 Months Ended	6 Months Ended
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
<b>(a) Basis earnings per share</b>				
Profit/(Loss) attributable to the owners of the Company (RM'000)	110	(1,862)	(3,215)	(3,919)
Weighted average number of ordinary shares in issue ('000)	2,012,330	464,083	1,476,730	464,083
Basic earnings/(loss) per share (sen)	<u>0.01</u>	<u>(0.40)</u>	<u>(0.22)</u>	<u>(0.84)</u>
<b>(b) Diluted earnings/(loss) per share</b>				
Profit/(Loss) attributable to the owners of the Company (RM'000)	110	(1,862)	(3,215)	(3,919)
Weighted average number of ordinary shares in issue ('000)	2,012,330	464,083	1,476,730	464,083
Adjusted for Warrants C ('000)	268,048	-	-	-
Adjusted for share options ('000)	139	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	<u>2,280,517</u>	<u>464,083</u>	<u>1,476,730</u>	<u>464,083</u>
Diluted earnings/(loss) per share (sen)	<u>0.00</u>	<u>(0.40)</u>	<u>(0.22)</u>	<u>(0.84)</u>

Notes:

- (1) The diluted loss per share for cumulative quarter 30 September 2020 is equivalent to the basic loss per share as the Company's warrants and share options had an anti-dilutive effect on the basic loss per share;
- (2) The diluted loss per share for individual quarter 30 September 2019 and cumulative quarter 30 September 2019 is equivalent to the basic loss per share as the Company's warrants and share options had an anti-dilutive effect on the basic loss per share.



**B13) Authorisation for Issue**

The interim financial report was authorised for issue on 30 November 2020 by the Board of Directors.